

payment to date of reimbursement), except as follows:

(i) With respect to leases issued before September 18, 1978, compensation shall be equal to the amount specified in paragraph (f)(1) of this section, and

(ii) In the case of jointly held leases which are cancelled due to the failure of one or more partners to exercise due diligence, innocent party(s) shall have the right to seek damages for losses from the responsible party(s) and the right to acquire the interests of the negligent party(s) and be issued the lease in question.

[53 FR 10690, Apr. 1, 1988, as amended at 54 FR 50616, Dec. 8, 1989. Redesignated and amended at 63 FR 29479, 29484, May 29, 1998]

**§250.113 How does production, drilling, or well-reworking affect your lease term?**

(a) Your lease expires at the end of its primary term unless you are producing or conducting drilling or well-reworking operations on your lease. See §256.37(b) of this title. Also, any drilling or well-reworking program must be part of a plan that has as its objective continuous production on the lease. For purposes of this section, the term "operations" means production, drilling, or well-reworking.

(b) If you stop conducting operations during the last 180 days of the primary lease term, your lease will remain in effect beyond the primary term only if you:

(1) Resume operations on the lease no later than 180 days after the operations ended; or

(2) Ask MMS for a suspension of operations or production under 30 CFR 250.110 before the 180th day after you stop operations, and thereafter receive the Regional Supervisor's approval; or

(3) Receive a directed suspension of operations or production from the Regional Supervisor under 30 CFR 250.110 before the 180th day after you stop operations.

(c) If you stop conducting operations on a lease that has continued beyond its primary term, then your lease will expire unless you comply with either paragraph (b)(1), (b)(2), or (b)(3) of this section.

(d) You may ask the Regional Supervisor to allow you more than 180 days

to resume operations on a lease continued beyond its primary term when operating conditions warrant. The request must be in writing and explain the operating conditions that warrant a longer period. In allowing additional time, the Regional Supervisor must determine that the longer period is in the national interest and that it conserves resources, prevents waste, or protects correlative rights.

[61 FR 55887, Oct. 30, 1996; 62 FR 35247, June 30, 1997. Redesignated and amended at 63 FR 29479, 29484, May 29, 1998]

**§250.114 Reinjection and subsurface storage of gas.**

(a)(1) The Regional Supervisor may authorize the reinjection of gas on the OCS to promote conservation of natural resources and to prevent waste when it can be shown that no undue interference with operations under existing leases will result.

(2) An application for reinjection of gas may be approved for the purpose of the following:

(i) Enhanced recovery projects,

(ii) Preventing of the flaring of casinghead gas, or

(iii) Other conservation measures approved by the Regional Supervisor.

(b)(1) The Regional Supervisor may authorize subsurface storage of gas on the OCS for later commercial benefit when it can be shown that no undue interference with operations under existing leases will result.

(2) In each case authorized in paragraph (b)(1) of this section, a storage agreement will be required, and the authorization for storage will provide for the payment of a storage fee or rental.

(c) Reinjection or storage of gas may be approved for locations on- or off-lease, provided that when gas is re-injected or stored off the lease or unit from which it was produced, royalties shall be paid at the time the gas is first produced. Gas produced from a reservoir containing both reinjected or stored gas and gas original to the reservoir shall be presumed to be made up of proportionate amounts of injected or stored gas and gas original to the reservoir in accordance with a formula approved or prescribed by the Regional Supervisor.

(d) The use of all or any part of a lease area for subsurface storage of gas shall not affect the continuance or expiration of such lease.

(e) Gas may not be stored on unleased lands unless a right of use and easement for that purpose has been approved by the Regional Supervisor in accordance with § 250.107.

(f) Reinjection or storage of gas will not be approved when the gas is to be injected into the cap rock of a salt dome known to contain a sulphur deposit, unless the injection of gas is necessary to the recovery of oil and gas contained in the cap rock, and the applicant can demonstrate to the satisfaction of the Regional Supervisor that the injection of gas will not significantly increase potential hazards to present or future sulphur mining operations.

[53 FR 10690, Apr. 1, 1988 as amended at 56 FR 32099, July 15, 1991. Redesignated and amended at 63 FR 29479, 29484, May 29, 1998]

**§ 250.115 Identification.**

(a) Platforms, structures, artificial islands, and mobile drilling units which have helicopter landing facilities shall be identified with at least one sign using letters and figures not less than 12 inches in height. Signs for units without helicopter landing facilities shall use letters and figures not less than 3 inches in height. Signs shall be affixed at a location that is visible to approaching traffic and shall contain the following information which may be abbreviated:

- (1) Name of the lease operator,
- (2) The area designation based on OCS Official Protraction Diagrams (except in the Pacific OCS Region),
- (3) The block number (lease number in the Pacific OCS Region) in which the facility is located, and
- (4) Platform, structure, or rig name.

(b) For each singly completed well, the lease number and well number shall be painted on the wellhead or on a sign affixed to the wellhead. In wells with multiple completions, each completion shall be individually identified at the wellhead. For subsea wellheads, the required sign shall be affixed to the flowline at a convenient surface location on the platform to which it is con-

nected. All identifying signs shall be maintained in a legible condition.

**§ 250.116 Reimbursement.**

(a) When geological data, geophysical data, analyzed geological information, processed geological and geophysical information, reprocessed geological and geophysical information, and interpreted geological and geophysical information are submitted to MMS pursuant to the requirements of this part (whether or not retained by MMS) and upon receipt of a request for reimbursement no later than 90 days from the date of delivery and a determination by the Regional Supervisor that the requested reimbursement is proper, the lessee or third party shall be reimbursed for the reasonable costs of reproducing such data and information at the lessee's or third party's lowest rate or at the lowest commercial rate established in the area, whichever is less.

(b) When processed or reprocessed geological or geophysical information is submitted to MMS pursuant to the requirements of this part (whether retained by the Regional Supervisor or not) and upon receipt of a request for reimbursement no later than 90 days from the date of delivery and a determination by the Regional Supervisor that the requested reimbursement is proper, the lessee or third party shall be reimbursed for the reasonable costs attributable to processing and reprocessing such information (as distinguished from the cost of data acquisition) but only if the processing or reprocessing was in the form and manner of processing other than that used in the normal conduct of the lessee's business and was done at the specific request of the Regional Supervisor.

(c) Requests for reimbursement shall identify processing and reprocessing costs separate from acquisition costs.

(d) The lessee shall not be reimbursed for the costs of analyzing geological information or for interpreting geological or geophysical information.

**§ 250.117 Information and forms.**

(a) Information required to be submitted pursuant to the regulations in